

FOREIGN POLICY REPORTS

*The Communist Movement
in
China*

*April 26, 1933
Vol. IX, No. 4*

25¢
a copy

Published Fortnightly
by the

\$5.00
a year

FOREIGN POLICY ASSOCIATION
INCORPORATED

EIGHTEEN EAST FORTY-FIRST STREET
NEW YORK, N.Y.

THE COMMUNIST MOVEMENT IN CHINA

by

T. A. BISSON

with the aid of the Research Staff of the Foreign Policy Association

THE extent to which the Communist movement has become rooted in Chinese soil is again confirmed by the recent successes of the Communist armies operating in the provinces neighboring on Hankow.¹ Communism in China has passed through three clearly defined phases within a period of slightly over twelve years. Its tentative beginnings occurred between 1919 and 1924. Then followed a three-year period of collaboration with the Kuomintang—marked by a phenomenal growth of Communist influence—ending with the drastic suppression inaugurated by Chiang Kai-shek at Shanghai in April 1927. A third phase, characterized by the spread of agrarian revolt through inland China, has since assumed major importance.

A society for the study of Marxism formed in 1920 by Chen Tu-hsiu and Li Ta-chao, professors at the National University of Peking, constituted the first Communist nucleus in China.² It was an outgrowth not only of Chinese interest in the Bolshevik revolution but also of disillusionment in Western civilization. A vigorous student movement, originating in the colleges of Peking to prevent China's signature of the Versailles treaty, was heralding the rise of a new and more intransigent Chinese nationalism. In this atmosphere, the Soviet government's manifesto to the Chinese nation on July 25, 1919, renouncing the various imperialistic rights and privileges in China which the victorious Allied powers still retained, attracted immediate attention. Connections were formed between the Third International and a number of Chinese intellectuals; and in May 1921 the Chinese Communist party was officially organized at Shanghai. For several years the party grew slowly, confining its attention to underground efforts among city workers and in student circles. By 1924, when Chinese Communists were admitted into the Kuomintang, the party had some 2,000 members.³

The second phase of Communist development in China, from 1924 to 1927, comprised

the years of open association and alliance with the Kuomintang.⁴ It was marked by a rapid growth of Communism, not only among the intellectuals and workers but also among the peasants. Throughout the south China and Yangtze valley areas, including the section where the Communist movement is now dominant, peasant unions were organized under Communist auspices on a large scale. Early in 1927, prior to the break between the Communists and the Kuomintang, the Communist party had an adult membership of 57,967 and a youth enrollment of 35,000; trade union workers under Communist influence were estimated at 2,800,000; and the membership of the peasant unions at 9,720,000.^{4a}

With the inauguration of the Nanking régime's campaign of suppression in 1927, the Communist movement was again driven underground. The first two years of this third phase of Chinese Communism registered a sharp falling-off in party membership and influence. Beginning with 1929, however, the movement once more assumed large and increasing power. It has re-emerged as an indigenous agrarian revolution, centered chiefly in the interior areas of south and central China, with its own military forces, political institutions, and economic and social objectives.

The Communist Revival, 1927-1930

At the close of 1927, the Chinese Communist movement had reached a low ebb. In the cities, the militant unions had been crushed and the workers were being reorganized into unions closely regulated by the Nanking government. In the universities, from which Communists were banned, the radically inclined students kept under cover. In the rural areas, the peasant unions had been wiped out in a series of frightful massacres. Only in south-central China, where a few Communist leaders were operating with small bodies of troops, was Communism still openly active.⁵

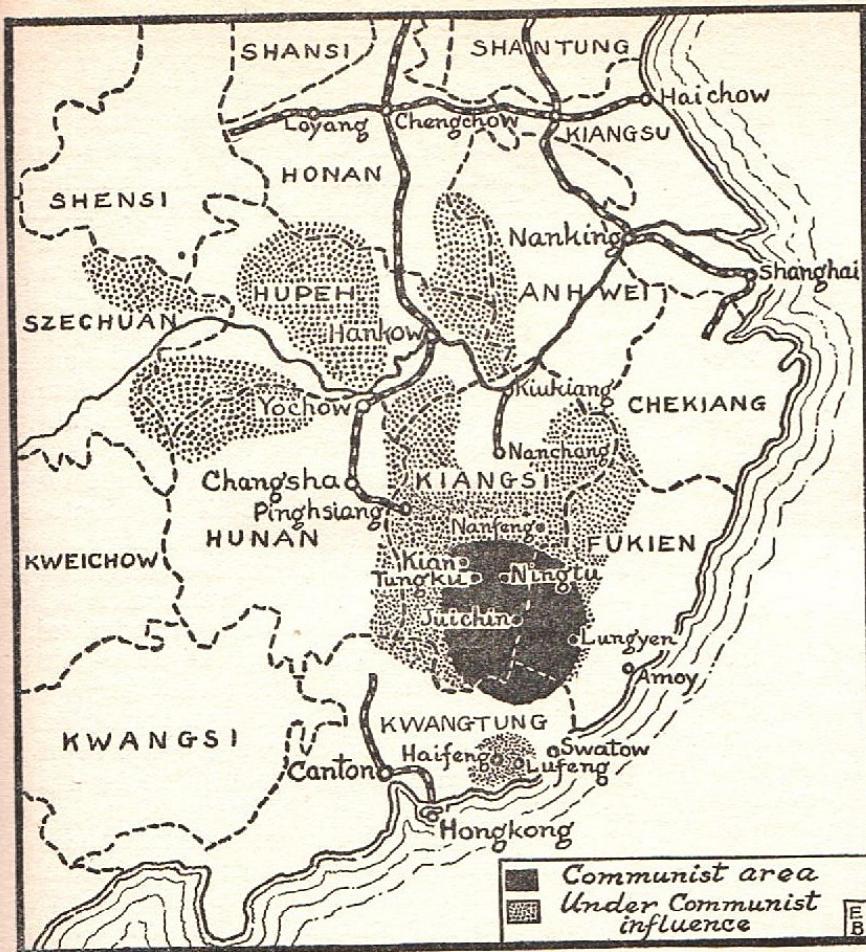
1. Cf. *New York Times*, April 10 and 14, 1933.
2. V. K. Wellington Koo, *Memoranda presented to the Lytton Commission* (New York, Chinese Cultural Society, 1932), Vol. II, p. 726-728.
3. *Ibid.*, p. 734.

4. Cf. T. A. Bisson, "Ten Years of the Kuomintang: Revolution vs. Reaction," *Foreign Policy Reports*, Vol. VIII, No. 25, February 15, 1933, p. 293-297; also *Memorandum on Communism in China*—A, B, C (American Council, Institute of Pacific Relations), May 1932.

4a. *The Communist International*, Between the Fifth and Sixth World Congresses, 1924-28 (London, Communist Party of Great Britain, 1928), p. 445.

FOREIGN POLICY REPORTS, VOL. IX, NO. 4, APRIL 26, 1933

Published by-weekly by the FOREIGN POLICY ASSOCIATION, Incorporated, 18 East 41st Street, New York, N. Y., U. S. A. JAMES G. McDONALD, Chairman; RAYMOND LESLIE BUELL, Research Director and Editor; WILLIAM T. STONE, Washington Representative; HELEN TERRY, Assistant Editor; ELIZABETH BATTERHAM, Secretary of the Research Department. Research Associates: T. A. BISSON, VERA MICHELES DEAN, MABEL S. INGALLS, HELEN H. MOORHEAD, OSA K. D. RINGWOOD, MAXWELL S. STEWART, M. S. WERTHEIMER, JOHN C. DEWILDE, WILBUR L. WILLIAMS. Subscription Rates: \$5.00 a year; to F. P. A. members \$3.00; single copies 25 cents. Entered as second-class matter on March 31, 1931 at the post office at New York, N. Y., under the Act of March 3, 1879.



Of these Communist military commanders, whose names have since become bywords in China, the earliest were Yeh Ting and Ho Lung. Leaders of the Nanchang insurrection in Chang Fa-kuei's "Ironsides" on August 1, 1927, Generals Yeh Ting and Ho Lung emerged in command of some 20,000 troops. Turning southward, this force overcame all opposition in its path. In September, however, it suffered a disastrous setback in the effort to take Swatow. The two commanders then separated. Ho Lung retraced his steps northward through Kiangsi into Hupeh, in the first of a series of long forced marches which has marked his activities. His operations have centered chiefly in western Hupeh, along the Hupeh-Hunan border, and in Honan and Anhwei. Yeh Ting, meanwhile, concentrated on Kwangtung, where he set up the first permanent soviet districts at Haifeng and Lufeng. He also participated in the workers' uprising that established the three-day Canton Commune (December 11-14, 1927).⁷

Two even more important Communist

5. Sources for this early period of Communist development in inland China are meager. The account here given relies chiefly on the special issue of the *China Forum*, May 1932, entitled "Five Years of Kuomintang Reaction," p. 21-24, herein-after cited as *China Forum*.

6. As an aftermath of this revolt, the Nanking government sealed Soviet consulates and closed Soviet business houses in its territory. Cf. G. E. Sokolsky, *The Tinder Box of Asia* (New York, Doubleday Doran, 1932), p. 340-341.

leaders—Chu Te and Mao Tse-tung—also began their independent military careers in the closing months of 1927. Chu and Mao had occupied high positions in the Kuomintang,⁷ but with the spread of reaction had taken refuge in the mountain fastnesses of southern Kiangsi. Early in 1928 Peng Te-huai,⁸ a revolting regimental commander from Hunan, joined Chu and Mao. In the spring of 1928 this trio set up the soviet districts of southern Kiangsi province—the major center of Communist power in China. In 1929 operations were shifted across the Kiangsi-Fukien border, resulting in the founding of the soviet régime of west Fukien.

No concerted offensive on a large scale was directed against the Communist forces during these early years. In 1928 Chiang Kai-shek's attention was centered upon the drive against Peking; in 1929-1930 the struggle for supremacy among the Kuomintang generals was at its height. This

breathing-space afforded the small Communist armies the opportunity for rehabilitation and reorganization. Slowly they gathered strength. New recruits were added to their numbers, the territory under their control was extended, the confidence of the peasants was gained, supplies of arms and ammunition gradually accumulated. Constantly warring with provincial forces, they developed a fighting strategy uniquely suited to the mountainous area in which they operated. By 1930 they had completed their apprenticeship, and plans were laid to apply the lessons they had learned in a larger sphere. A partially coordinated northward offensive was launched, timed to coincide with Chiang Kai-shek's desperate struggle against the Yen-Feng coalition.

In the spring of 1930, Peng Te-huai moved northward into central Kiangsi and then turned westward into Hunan. Chu Te followed him, struck unsuccessfully at Nanchang, and then joined Peng in a concerted drive toward Changsha, the capital of Hu-

7. Chu Te became associated with Sun Yat-sen in 1912. Following a period of study in Germany he returned to Canton, where he joined the Communist party. During the northern expedition he acted as vice-commander of the Ninth Army. Mao Tse-tung studied in France, and later joined the Communist party in Shanghai. At Canton he was elected to the Central Executive Committee of the Kuomintang. Cf. *The Present Condition of China, Document A*, Appendix A-3, p. 12, note 1, herein-after cited as the *Japanese White Book*.

8. Peng Te-huai was graduated from the Whampoa Military Academy.

nan. Ho Lung started moving at the same time, and in June captured Yochow, a port on the Yangtze river above Hankow. At Pinghsiang, on July 25, the combined forces of Chu and Peng defeated the Hunan provincial troops under General Ho Chien. Changsha was entered by the Communists on July 27.⁹ Communist control of Changsha, however, lasted hardly a week. Attacked by American, British, Japanese and Italian gunboats, the Communist forces evacuated the city early in August.¹⁰ Ho Chien's troops re-occupied Changsha a few days later, and purged the city with a drastic "white terror."¹¹

Nanking's Anti-Communist Campaigns

With the recrudescence of the Communist movement in China, talk of intervention by the foreign powers was revived in 1930.¹² At the time, the Nanking government could not respond to this foreign pressure, owing to the struggle it was carrying on against the Yen-Feng coalition. Following the suppression of the northern revolt, however, the Central Executive Committee of the Kuomintang met at Nanking, November 12-18, 1930, to consider measures for the eradication of Communism. The conference passed resolutions calling for the complete extermination of the Communist armies and the re-occupation of the sovietized areas within three months.¹³ A series of large-scale anti-Communist campaigns, which the Nanking régime has prosecuted continuously down to the present time, was thus inaugurated.¹⁴

The first campaign began early in December when Nanking dispatched six additional divisions to re-enforce the provincial units

9. Red flags were at once raised, and the city was flooded with pamphlets and handbills denouncing capitalism and imperialism. Various labor unions, including railway employees' and seamen's unions, were organized. The city was divided into some thirty or forty wards under the control of workers' committees, heading up in a central municipal soviet. Heavy requisitions were levied upon the landlords, merchants, and wealthy shopkeepers. Cf. *China Weekly Review*, August 2, 1930, p. 323-325; August 9, 1930, p. 361-364; *China Forum*, cited, p. 21.

10. A significant editorial in the *China Weekly Review* (September 6, 1930, p. 2) declared that the foreign gunboats "in this particular case performed a good service for the Chinese Government by helping to drive the communists out of Changsha. Chief credit for this enterprise apparently belongs to Lieutenant-Commander Tisdale of the *Patos* who steamed back to Changsha, after evacuating the American residents, and who gave the blood-thirsty, Russian-inspired hordes a dose of their own medicine. Undoubtedly it was Commander Tisdale's retaliation (followed by that of the Japanese, Italians and British) to the machine-gun fire of the communists that wounded six American sailors, that started the evacuation of the communists from Changsha with the eventual collapse of their Soviet Government which they had established in the city. In this instance the foreign gunboats were on the side of the Chinese Government in helping to re-establish order, something which the Chinese Government manifestly was unable to do; hence there has been no outcry on the part of the Chinese authorities at this most recent activity of foreign gunboats in China."

11. Daily executions of Communist suspects also took place during this period at Hankow, Nanchang and Kiujiang, where panic gripped the Kuomintang officials. (Cf. *The Week in China*, August 6, 1930, p. 834.)

12. Cf. "The Foreign Powers in China," *Foreign Policy Association News Bulletin*, Vol. IX, No. 41, August 15, 1930.

14. Koo, *Memoranda presented to the Lytton Commission*, cited, Vol. II, p. 749.

15. For data on these campaigns, cf. *ibid.*, p. 749-750; *Japanese White Book*, cited, Appendix A-3, p. 4-5; *China Forum*, cited, p. 22; Yang Chien, *The Communist Situation in China* (Nanking, July 1931), p. 7-8.

already in the field. The ingenuity and effectiveness of the strategy employed by the Communist military commanders were first revealed in this struggle. Effecting a strategic retreat from Kian, the Red armies drew the Fiftieth Division into the southern Kiangsi mountains and led it astray. In the same way, on December 31, the Eighteenth Division under General Chang Hui-tsang was permitted to enter Tungku. Overcome by the effects of its celebration of this easy victory, the division was defeated and disarmed by a rapid counter-attack of the Red forces carried out under cover of darkness. Dressed in the uniforms of this division and carrying its banners, the Communist force then sought out the strayed Fiftieth Division and virtually annihilated it before it had realized what was happening. These crushing blows, coming in rapid succession, demoralized the regular troops and led to their withdrawal.

In February 1931 General Ho Ying-ching, Minister of War, took charge of operations with a force of fifteen divisions totalling 150,000 men. This second campaign was a replica of the first on a larger scale. The separate Red armies dissipated the force of the government offensive in the mountainous terrain and then readily amassed for crushing attacks on isolated divisions. Near Tungku in May the government's Fifth Army was cut to pieces; two of its divisions lost much of their equipment and thousands of dead and wounded. The Nineteenth Route Army,¹⁵ after reaching Chu Te's base at Ningtu, was outflanked and thrown back with heavy losses. Having taken Nanfeng, Chu Te then moved rapidly eastward to the Fukien border, where he defeated the Fifty-sixth Division, capturing two regiments. By early June Nanking's offensive had culminated in a general *débâcle* from which its remaining forces were extricated with difficulty.^{16a}

In the middle of June 1931 Chiang Kai-shek himself went to Nanchang, where he assumed personal direction of a third anti-Communist campaign, for which a vast force of 300,000 troops was mobilized. Thousands of laborers were pressed into service for the transport of supplies and munitions. On July 9 three separate columns advanced into southern Kiangsi in a concerted drive. A large section of the soviet areas was overrun and devastated. Ningtu was captured on July 19, and Tungku was entered on July 25. In August, however, the Red armies counter-attacked in force and recaptured both cities, inflicting severe defeats on two government divisions. The campaign culminated in a

16. The same army that defended Shanghai against the Japanese attack in January-February 1932.

16a. During the heavy fighting in the last two weeks of May, the Red armies were reported to have captured more than 20,000 rifles, about 80 machine guns, some trench mortars and artillery, and large quantities of supplies. In addition, numerous units of the government troops, estimated at 20,000 men, had deserted and been incorporated into the Communist armies.

fierce struggle, on September 7-9, between the Communist forces and the Nineteenth Route Army. Both sides suffered heavily, and the result was apparently a drawn battle. As its aftermath, however, the government forces effected a general withdrawal, due in part to the initiation of Japanese activities in Manchuria.

During the winter of 1931-1932, the Communist movement extended its influence both north and south of the Yangtze river.¹⁷ A fourth Red suppression campaign, directed by Chiang Kai-shek, was prosecuted in the summer and autumn of 1932. Fifteen divisions, fully equipped with French light machine guns, German automatic rifles, and foreign airplane pilots, were thrown against the soviet centers in Honan, Anhwei, and Hupeh. Large areas of these provinces were regained from the Communists. Part of the Red forces withdrew into the mountainous districts. The bulk of them, however, apparently retreated into Shensi province, where they threatened to capture Sianfu in November 1932.¹⁸ This army—estimated to number 60,000 men—turned southward and entered Szechuen early in 1933. A considerable section of northeast Szechuen province is now under Communist control.¹⁹ Latest reports indicate sweeping Communist successes in Hunan, Hupeh and Anhwei provinces which have largely nullified the results of Nanking's campaigns in 1932.²⁰

A number of factors accounted for the ability of the Communist forces, despite their inferiority in numbers and equipment,²¹ to withstand the well-organized Kuomintang attacks. Of primary importance was the unstinting support of the peasant masses in the soviet areas. The peasantry not only comprised the rank and file of the Red armies,²² but also constituted an intelligence and propaganda corps. Reports of the local population enabled the Communist military staff to secure prompt and accurate information of the movements of government troops. Similarly, steady propaganda carried on by the peasants among the troops occupying

17. It would seem, on a conservative estimate, that 120,000 to 150,000 soldiers were enrolled at this time in the various Red armies. In December 1931, Communist forces were operating within a few miles of Hankow, and early in 1932 Nanking itself was threatened by a Communist drive through Anhwei province. To the south, in the spring of 1932, a determined eastward advance through Fukien province led very nearly to the capture of Amoy by Red forces. The fall of the city was primarily averted by reason of the foreign gunboats massed in the harbor at Amoy.

18. *Daily Worker*, January 25, 1933.

19. *New York Times*, March 12, 1933.

20. *Ibid.*, April 10, 1933.

21. In this respect, the position of the Red armies is steadily improving. As early as May 1931 they possessed 768 machine guns, 29 cannons and 74 trench mortars. Koo, *Memoranda presented to the Lytton Commission*, cited, Vol. II, p. 790.

22. In view of the ordinary description of the Communist forces as "bandits," it should be noted that the actual percentage composition of the Red armies has been estimated as follows: peasants, 57.5; rebel soldiers, 28; workers, 5.75; bandits, 8.75. (*Japanese White Book*, cited, Appendix A-3, p. 16.) In any case, bandits in China are normally farmers unable to support themselves.

villages in soviet areas was chiefly responsible for desertions from the government armies. In addition to the benefits derived from the support of the local population, the Red armies had developed a fighting strategy that took every advantage of their thorough familiarity with the mountainous terrain in which they operated.²³ Finally, they were upheld by an enthusiasm and fighting morale conspicuously absent in the forces to which they were opposed.²⁴

Administration of the Soviet Areas

The area under Chinese Communist control expands and contracts in accordance with the exigencies of the military struggle continually in progress, and consequently cannot be delimited with absolute accuracy. The permanent center of soviet administration is in southeastern Kiangsi and western Fukien, where more than 40 contiguous *hsien*²⁵ have been for some years under the direct control of Communist authorities.²⁶ Each village, town and *hsien* in this region has its own soviet congress and executive committee. Two organs of provincial government were early established in this section—the All-Kiangsi Soviet government at Tungku, and the West Fukien Soviet government at Lungyen. On November 7, 1931, in commemoration of the Bolshevik revolution in Russia, a super-government for all the soviet areas of China—the Provisional Government of the Chinese Soviet Republic—was set up at Juichin in Kiangsi, with Mao Tse-tung as President.²⁷ Only the territories under these governments may properly be termed the "soviet areas" of China.

Nevertheless, extensive additional areas in Hunan, Hupeh, Anhwei and Honan, especially along the border areas of these provinces,

23. A manual of military tactics employed in the soviet officers' training school in southern Kiangsi enumerates the following six points of Chinese Communist strategy: (1) Lead the government forces to sovietized areas, or to regions of thick forests or rugged mountains, and attack them from ambush; (2) Mislead the government forces, then turn back and swoop down on their flank or rear; (3) When the government forces are concentrated, avoid them by dispersing; when they are weak or in an inferior position, converge the attacks upon them or surround them; (4) Utilize the population of the sovietized districts to harass and frighten the government forces (for example, by planting red flags on the hills which surround them, by increasing the sound of trumpets, or by making bugle calls from various sides) or employ the peasants as advance guards to meet the government forces and then attack with the main body of the Red Army when the enemy is tired or on the point of exhausting his munitions; (5) Do not attack permanent defense works, do not deliver yourselves up to arranged battles, avoid fighting in areas where the population is not yet sovietized; (6) Undermine the morale of the government forces by propaganda agents, farmers, workers, and women. Cf. Koo, *Memoranda presented to the Lytton Commission*, cited, Vol. II, p. 761; also Yang Chien, *The Communist Situation in China*, cited, p. 7-8.

24. The Kuomintang troops were mercenaries, fighting without hope or purpose. For months at a time, moreover, their scanty pay was liable to be withheld and pocketed by the higher officers. An index of this situation is the extent of desertions from the government units opposing the Communists. These units jocularly referred to themselves as "ammunition transports for the Reds." Cf. *China Forum*, cited, p. 22.

25. Districts or counties.

26. *China Forum*, cited, p. 23.

27. *Japanese White Book*, cited, Appendix A-3, p. 18; Koo, *Memoranda presented to the Lytton Commission*, cited, Vol. II, p. 771-772.

totalling approximately 125 *hsien*, have been more or less continuously under Communist administration for several years. With the formation of the central government in November 1931, an attempt was made to regularize the administration of these additional territories by creating four more regional governments. These covered the regions of northeast Kiangsi, of the Honan-Huapeh-Anhwei border districts, of the Hunan-Huapeh-Kiangsi border districts, and of the Hunan-Huapeh border districts.²⁸ In the spring of 1932, soviet control probably embraced one-sixth of the area of China proper, with a population of 90,000,000.²⁹ A more conservative estimate would suggest possibly 50,000,000 people normally living under Chinese Communist administrations.³⁰

The Communist institutions of government established in Kiangsi and Fukien are closely modeled on those of the Soviet Union. Village, town and district congresses, chosen by peasants, soldiers and workers, send representatives to a National Congress.³¹ Under this Congress is set up a series of central government commissariats, which put into effect the policies drafted by the Communist party.³² Local gentry and the propertied classes are excluded from the franchise, which is exercised by all peasants, soldiers and workers over sixteen regardless of sex or nationality.³³

In extending these Chinese soviet institutions into new areas the Communist armies play the chief rôle. Each army is provided with a political bureau, equal in position and authority to the military staff.³⁴ This bureau exercises a double function. On the one hand, it imparts political instruction and Communist training to the soldiers; on the other, it takes charge of propaganda and administrative work in the newly-occupied territories. In this latter work, a regular procedure is followed. Local Kuomintang officials are killed or expelled, and the local gentry (landlords, merchants, money-lenders) are terrorized. Communist slogans and propaganda are broadcast by posters, handbills, and pamphlets. A committee of peasants, soldiers and workers is formed, a series of agrarian reforms are instituted, trade unions and associations are organized. These initial phases of soviet organization are supervised by the political bureau of the army. When military control over the occupied area has been consolidated, the local soviet congress is linked up with the central organs of soviet government, which hence-

forth replace the authority of the army's political bureau.

The agrarian reforms instituted by the Communist régime form the crux of its economic program and the basis upon which its political power is consolidated. These reforms can be appreciated only in the light of the burdens previously resting upon the Chinese peasantry.³⁵ In Kiangsi, for example, approximately 80 per cent of the land was concentrated in the hands of less than 30 per cent of the population.³⁶ Tenant-farmers struggled under rentals and interest absorbing from 50 to 80 per cent of their produce. Small farm-owners were weighed down with interest payments on usurious loans that made them virtually slaves to the money-lenders.³⁷ Crushing taxes imposed by the militarists, often collected for years in advance, were shifted from the gentry to the peasantry. Farm laborers, small handcraftsmen, and apprentices were similarly exploited.

Where the local soviets have been established, this system of exploitation has been largely swept away. Landlords, money-lenders, and the tax officials of the Kuomintang or of the local militarists have been eliminated. The lands and property of big proprietors have been confiscated and redistributed among the peasants and soldiers.³⁸ Public lands, ancestral temple estates, and lands belonging to monasteries have been made government property. Outstanding debts have been canceled, and all high interest-bearing notes have been voided. The complicated tax system of the old régime has been abolished. In its place, a progressive land tax has been introduced, resting most heavily on the well-to-do peasants. More recently, this has been supplemented by a progressive business tax, with the greater burden placed on the richer merchants and the lesser on the small traders.

A banking system, which has been steadily expanding the scope of its opera-

35. Cf. *China Forum*, cited, p. 6-8.

36. *Ibid.*, p. 24.

37. The Executive Yuan at Nanking recently promulgated a law making it illegal to charge more than 20 per cent interest a year. Commenting on this law, the *New York Times* dispatch (March 19, 1933) stated that even the Chinese-language press doubted whether the government would be able to enforce it. The dispatch also states: "Interest rates in China have continually scandalously high . . . The poorer classes are unmercifully oppressed by usurers and pawnshops, and are usually charged from 10 to 12 per cent per month for short-term loans. The same form of extortion has been practiced against the peasants for many centuries, and in many parts of the country the men who actually till the soil are really wage slaves to the land owner."

38. Cf. Koo, *Memoranda presented to the Lytton Commission*, cited, Vol. II, p. 766-768; *Japanese White Book*, cited, Appendix A-3, p. 18-21; *China Forum*, cited, p. 21; Yang Chien, *The Communist Situation in China*, cited, p. 4-6. The land register, title-deeds, and leases are burned, and the former boundary marks removed. The local soviets then re-divide the land among the poorest peasants without distinction of sex. Children under sixteen years of age, the aged, and the invalid have no claim to land, but the family which takes care of them can claim a portion of the land corresponding to their needs. The local soviets provide for the cultivation of the land assigned to the families of the soldiers in the Red armies.

28. *China Forum*, cited, p. 23; Koo, *Memoranda presented to the Lytton Commission*, cited, Vol. II, p. 772.

29. Sokolsky, *The Tinder Box of Asia*, cited, p. 341.

30. *China Forum*, cited, p. 23.

31. *Ibid.*, p. 24.

32. Koo, *Memoranda presented to the Lytton Commission*, cited, Vol. II, p. 765.

33. *Ibid.*, p. 764; *China Forum*, cited, p. 24.

34. *Japanese White Book*, cited, Appendix A-8, p. 9.

tions, has also been established. Two central banks are located at Lungyen and Tungku.³⁹ Bills issued by these central institutions, bearing the portraits of Lenin and Marx, have been widely distributed in China. In addition, a number of local farmers' banks and cooperative credit societies have been set up for the extension of credit to the peasants on easy terms.^{39a}

Certain additional reforms also deserve enumeration.⁴⁰ In soviet-controlled enterprises, such as printing shops, small arsenals, tobacco factories and mines, the eight-hour working day is enforced. Operatives under eighteen years of age work only six hours, in contrast to the former twelve, fourteen, and even sixteen hour days. Apprentices—formerly unpaid—are given small monthly wages. The wages of all laborers, industrial and agricultural, have been raised. An increasing measure of control exerted over the marketing and exchange of commodities has been reflected in reduced prices of primary foodstuffs, such as salt, rice and meat, in soviet districts.⁴¹ The soviet régime has also prohibited the cultivation of poppies—a burden previously forced on the peasants by the militarists, who made huge profits from the opium traffic.⁴² Revenues derived from government lands have been utilized in some cases for public works, such as irrigation and flood-prevention enterprises, and for unemployment relief; in two instances—at Liuyang and Pingkiang in Hunan province—attempts to institute collective farms have been reported.⁴³ Finally, small beginnings have been made toward the establishment of a system of mass education.⁴⁴

The general emphasis of this program is eminently practical, aiming at the elimination of the most glaring abuses and dis-

parities of the old system. Its immediate effects have undoubtedly been to create a more widely distributed set of vested interests for whose protection the beneficiaries will fight fiercely. The Chinese Communist leaders, however, have retained control of certain key positions within the economic structure, such as government lands, marketing supervision, cooperative trading and credit societies, and banks, which may be utilized to extend the development of a socialized economy.

Communism in the Nanking Areas

Within the areas ruled by the Kuomintang, there exists an underground Communist activity of considerable proportions. A large number of the Chinese students are at least sympathetic toward Communism. Chinese intellectuals, particularly in the literary and artistic fields, have also been deeply influenced by the Communist ideology. The city workers in Canton, Hankow and Shanghai, while seemingly little influenced by present-day Communist organizers, undoubtedly retain memories of the revolutionary upheavals six years ago. The links between this underground movement in the Nanking areas and the openly pursued activities of the inland soviets, though they exist, are not as yet closely forged. In theory, the Central Executive Committee of the Communist party, meeting usually at Shanghai, is the governing organ for the entire movement. In practice, however, owing to the difficulties of communication, this committee maintains a very loose relationship with the agrarian movement of the interior.⁴⁵ The weight of evidence would seem to indicate that the inland soviet régimes operate almost entirely on their own responsibility, directed neither by Shanghai nor Moscow.

The sword of Damocles hangs over all Communist agents operating in areas under Nanking's jurisdiction. Communism is banned by the Kuomintang, and the law exacts the death penalty for those adhering to its tenets. Attempts on the part of Chinese students, intellectuals and workers to organize for Communist objectives have therefore been met by a savage repression. No accurate estimate of the Chinese victims of the Kuomintang "white terror" can be made. It would undoubtedly run into the hundreds of

39. *Japanese White Book*, cited, Appendix A-3, p. 20, footnote 3; Koo, *Memoranda presented to the Lytton Commission*, cited, p. 766. Cash reserves of these banks were estimated at \$12,000 000 as early as November 1931.

39a. In the summer of 1932, a \$600,000 bond issue, divided into units of 30 and 50 cents, \$1 and \$5, was floated by the Provisional Government of the Chinese Soviet Republic within two weeks' time. These bonds, some of which found their way into the hands of factory workers in Shanghai, bear 10 per cent annual interest and mature in six months. (Cf. *New York Times*, October 23, 1932.)

40. Cf. *China Forum*, cited, p. 24.

41. For detailed figures showing the contrast with prices in the Kuomintang areas, cf. *ibid.*, p. 24.

42. A dispatch from Hallet Abend (*New York Times*, July 17, 1932) on this subject reads in part as follows: "The chief objection to this scheme [that Nanking should legalize and tax opium] is that in all Communist-controlled districts the cultivation of poppies and the use of opium is strictly forbidden, and the prohibition is effectively enforced. The Communists are slowly educating the masses in their territories in the evils of the opium habit, and one of the principal things for which they denounce the Nanking Government is that it permits its military leaders to get rich from the drug traffic."

43. *Japanese White Book*, cited, Appendix A-3, p. 20.

44. Elementary schools, emphasizing Marxist doctrines, have been set up in all the established soviet districts. Middle schools and adult education schools have been founded in the central area around Juichin. In Fukien and Kiangsi provinces, there are military academies and training schools for political propagandists and organizers. Instruction of the army rank and file in reading and writing has made steady progress, so that many of the soldiers have become able to contribute to the wall newspapers that have been introduced. (Cf. *China Forum*, cited, p. 23.)

45. It should be noted that a contrary opinion is maintained in the Chinese and Japanese memoranda submitted to the Lytton Commission. The constant and direct supervision of the Comintern over the Chinese Communist movement alleged in these documents, would also appear to be exaggerated. (Cf. Koo, *Memoranda presented to the Lytton Commission*, cited, Vol. II, p. 745-748, 753-757; *Japanese White Book*, cited, Appendix A-3, p. 24-25.) In both instances, an attempt seems to have been made to build up a case for the menace of Russian activities in China—a menace which does not appear to exist, at least in the immediate present.

thousands,⁴⁶ especially if the wholesale massacres of 1927 in the city and country districts are added to the continuous toll of Communists and Communist suspects taken by the Nanking government during the past five years. Certain of the more spectacular cases of this nature have attained world-wide publicity and become the subject of international protest.

Conclusion

Wide divergence of opinion exists among qualified observers regarding the extent to which the Chinese Communist movement constitutes genuine Communism and regarding the movement's future prospects. The majority of Western observers are inclined to minimize its significance, contending that it represents little more than a desperate peasant revolt against unbearable economic conditions.⁴⁷ Agrarian revolts have always arisen during epochs of social upheaval in China, these observers contend, and it is inconceivable that the present revolt can remold China's social and economic institutions along Communist lines.⁴⁸ A few Western writers take the opposite view. They argue that China is ripe for a change—its masses hungry and distressed, its intellectuals disillusioned, its youth humiliated. For the achievement of such a revolutionary change, they feel that the Chinese Communist party is the most effective agent. Success is not ruled out in advance, since "it is possible to believe that a large section of the army will go over if the Communists win a decisive victory."^{49a}

In Russian Communist circles, there seems to be general agreement that the Chinese Communist movement must take on a more proletarian character before it can be successful. The stabilization of an agrarian dictatorship is unthinkable in Communist terms. Redistribution of the land, without a proletarian dictatorship to enforce collectivization, would merely lay the basis for the development, in the process of time, of new class differentiations. Such a redistribution of land, if effective only in the interior of China, would actually tend to strengthen Chinese capitalism by eliminating some of its more glaring abuses, such as absentee landlordism. When the port areas had reasserted their supremacy, as they would be certain to do in the long run, the capitalist base would thus have been broadened and consolidated.^{49a}

46. *The China Forum* (p. 2) puts the figure at 1,000,000 direct victims, at the least. For a detailed analysis of the Kuomintang "white terror," cf. *ibid.*, p. 2-5, 14-15.

47. Cf. Nathaniel Peffer, "The Chinese Idea of Communism," *Current History*, July 1932, p. 400-404.

48. Cf. J. O. P. Bland, *China: The Pity of It* (London, William Heinemann, 1932), p. 273-284.

49. Sokolsky, *The Tinder Box of Asia*, cited, p. 347.

49a. Cf. Louis Fischer, "South China Soviets," *New York Times*, April 16, 1933.

This contention is upheld particularly by the Left Opposition, headed by Leon Trotsky, which warns against a too facile belief in the prospects of the inland Chinese soviets. Trotsky writes that at present "there are substantial bases for expressing the hope that—under a correct policy—it will be possible to fuse the workers, and the urban movement in general, with the peasant war; and this would constitute the beginning of the third Chinese revolution. But meanwhile this still remains only a hope and not a certainty."⁵⁰ Admitting that the "peasant movement is a mighty revolutionary factor, in so far as it is directed against the large farm owners, militarists, serfdom, and usurers," he warns that "in the peasant movement itself are very powerful proprietary and reactionary tendencies, and at a given stage it can become hostile to the workers, and sustain that hostility already equipped with arms."⁵¹ For these reasons, Trotsky contends that the future of the Chinese Communist movement depends upon the strengthening and consolidating of Communist influence over the Chinese proletariat, which can alone lead the movement to success.

The policy of the Third International, on the contrary, places greater reliance on the revolutionary potentialities of the Chinese peasantry, and therefore takes a somewhat more optimistic view of the prospects of the Communist movement in China. It aims first to accomplish the basic objectives of the peasant revolt—confiscation of land from the landlords, confiscation of monastery and temple properties, abolition of hunger rents, destruction of the Kuomintang taxation system, overthrow of the mandarin class, creation of peasant self-government—and then to swing the peasant mass movement into open conflict with foreign imperialism. The orthodox Communists, however, also stress the decisive rôle of the Chinese proletariat. This view has been strongly expressed by G. Volutsky, one of the Comintern agents in China during the 1925-1927 revolution. He writes:

"The Chinese Revolution is going through one of the most difficult stages of its development. The basic problem for the Chinese Communist Party at the present time is the question of achieving *proletarian* leadership in the agrarian and anti-imperialist revolt. The greatest obstacles of the revolution are the unevenness of its development and the overwhelming strength of imperialism, presenting a united front through armed intervention in China, and directing its attack on the fatal division between the revolutionary movement of the proletariat in the towns and the growing revolt of millions of peasants."⁵²

50. Leon Trotsky, "The Peasant War in China," *The Militant*, October 15, 1932, p. 1, 4.

51. *Idem*, "Proletariat and Peasant War in China" (same article continued), *The Militant*, October 22, 1932, p. 4.

52. G. Volutsky, "On the Errors of the Chinese Communist Party in the 1925-27 Revolution," *Problemi Kitaya* (Problems of China). Moscow, Scientific Research Institute on China of the Communist Academy, 1930, No. 4-5, p. 84. Translated by Joseph Barnes.